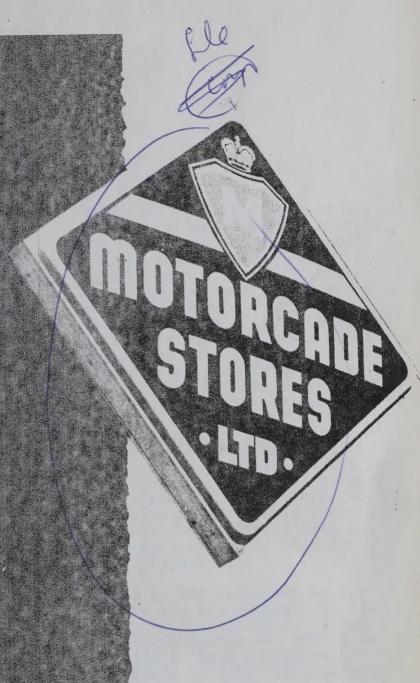
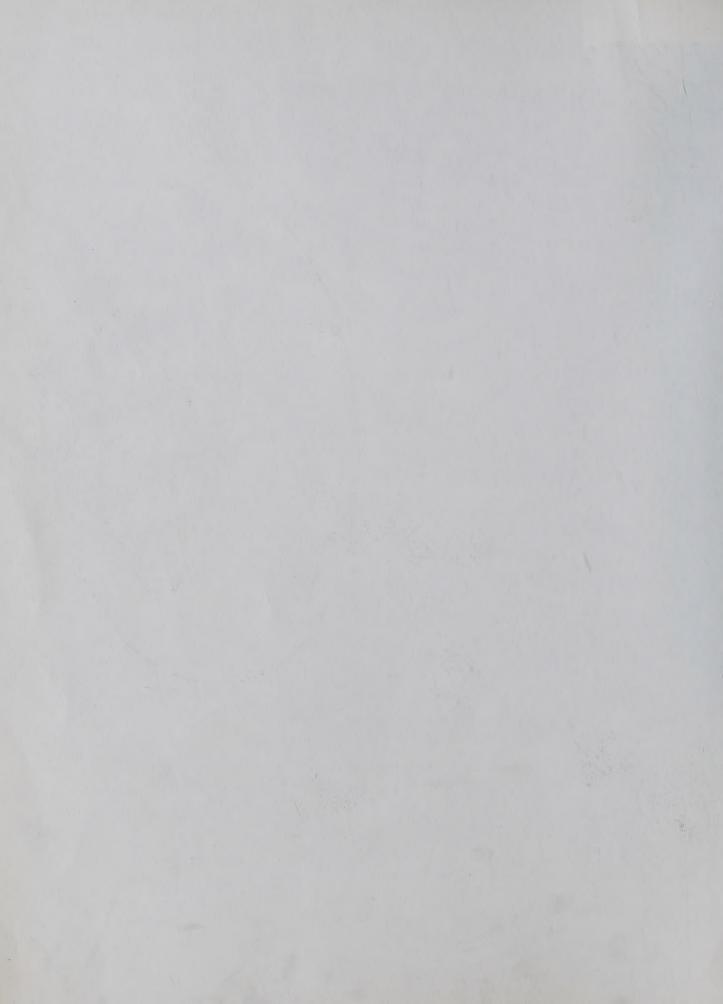
Serving Canadian motorists
with the finest products
at lowest prices
through over 100 dealers
and one-stop service centers



Semi Annual Report

For the period ending
May 31

1968



President's Report to the Shareholders

I would like to present to you a brief summary of your company's activities during the first six months of our current fiscal year, along with a few notes of explanation and some additional information which should have been supplied in last year's annual report.

Your company has shown an increase in profit for the first six months of this year and I would like to point out that traditionally in the past the first half of our year has been, from a sales and profit standpoint, well below the second half. At the present time it appears that this pattern will continue. If the present trend continues, I believe we can look forward to a substantial increase in earnings for our 1968 report.

I should point out that although there was a decrease in sales for the first half of this year, in order to make a fair comparison; last year's figures included wholesale gasoline sales and four months of sales figures for our Lindsay store. This store is no longer a company operated outlet. The gasoline sales were considered in a non-profit category and the loss in sales from our Lindsay store has been offset by a substantial decrease in overhead. The total loss of sales from these two sources was approximately \$82,000.

Referring to last year's annual report, we inadvertently omitted the total sales of your company and the remuneration paid to directors and officers. The total sales for the year ending November 30th, 1967 were \$1,506,951. The total remuneration paid to directors and officers for the same period was \$26,122. The total remuneration paid to directors and officers for the first six months of this year was \$12,960.

The name of Mr. Jerold Winter was omitted in error from the list of directors and officers in the 1967 annual report, although he had been elected to the Board of Directors prior to that report. You will note that his name has now been included in this semiannual report.

I wish to express again my appreciation for the support I find among the shareholders. I can assure you that every effort is and will be made to ensure the favourable progress of your company.

On behalf of the Board of Directors,

MARTIN WINTER.

August 30, 1968.

President

President's Report to the Shareholders

I would like to present to your Emperor's botter summary of your Emperor's rix months of our current flees from along with a few cotes of exclanation and home addictional information which should have been our class year's amusi report.

To profit for the first aid restant in profit for the first aid rants of this year and I would like to payer out that traditionally in the payer had been from a saint and out profit atandpoint, well below the recent half. At the present that the present the continues, I the present traditional to a substantial increase in earnings for our 1568 report.

I should point out that state of them the first half of this year, in draw to make a fair comparison; last year's figures included wholesals gasoline sales included donths of sales figures for our linds at store. This store is noting an acceptant outlies in a non-profit ostegory and the it a non-profit ostegory and the store has been offset by a sale it overhead.

The total loss of sale, from upper two sources was approximately and the store has been offset by a sale.

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The name of Mr. lesold Winter was antiched in arrow the list of directions and officers in the 1917 and altered to had alleged by a less that of the control of the control

I wish to express seals my appreulation for the support I find
enoug the shareholders. I can
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On bould of the Hoard of Docators,

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MOTORCADE STORES LIMITED

INTERIM BALANCE SHEET

AS AT MAY 31, 1968

ASSETS		
CURRENT ASSETS		
Cash on Hand and in Bank Accounts Receivable, less allowance for	\$ 5,958	
Doubtful Accounts	218,732	
Prepaid Expenses and Sundry Assets	6,308	
Inventory, at lower of cost or market	276,151	\$507,149
MORTGAGES RECEIVABLE		69,352
FIXED ASSETS - at cost	198,626	
Less: Accumulated Depreciation	60,923	137,703
GOODWILL		100,000
Total Assets		\$814,204
		4024,204
LIABILITIES & CAPITAL CURRENT LIABILITIES		
Paula Yana	* (0 500	
Bank Loan	\$ 69,500	
Accounts Payable & Sundry Liabilities Reserve for Income Tax	248,285	\$225 25A
Reserve for income lax	7,465	\$325,250
DEFERRED LIABILITIES		
Industrial Development Bank	28,800	
Mortgages Payable	20,238	49,038
1101 62 08 00 1 00 00 00 00 00 00 00 00 00 00 00 0		47,000
CAPITAL STOCK & SURPLUS		
CAPITAL STOCK		
Authorized Issued		
1,000,000 500,000 Common Shares @ N.P.V.	248,300	•
Earned Surplus	91,616	
Appriasal Surplus	100,000	439,916
Total Liabilities & Capital		\$814,204
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This interim Statement has been prepared, from figures taken from the books of accounts, without verification and APPROVED ON BEHALF OF THE BOARD

Director Martin E. Sykin

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MOTORCADE STORES LIMITED

INTERIM OPERATING STATEMENT

FOR 6 MONTHS ENDED MAY 31, 1968

	1968	1967
SALES	\$680,217 ————	\$714,551
COST OF SALES	\$490,205	\$516,309
Gross Profit	190,012	198,242
Add: Rental Income	11,179	6,785
Gross Profit before Expenses	201,191	205,027
MALE PRODUCTOR Period		
OVERHEAD EXPENSES		
Selling Expenses General Administrative Expenses Financial Expenses	115,468 65,381 2,140	72,265
	182,989	198,136
	Migraph migh fillion recommend work menganda. Violetim meghanda had put migh meghanda.	
Profit before Capital Cost Allowance	18,202	6,891
Capital Cost Allowance	5,090	4,935
Net Profit before Income Taxes	13,112	1,956
Provision for Federal & Provincial Income Taxes	3,076	234
Net Profit	\$ 10,036	\$ 1,722
Net Profit per share	2,007 cents	.344 cents

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COST OF SALES

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Gross Profit before expenses

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Selling Expenses
Concret administrative Expenses

Profit before Capital Cost Allowance

Capital Cost Allowance

Net Profit bafors Income Taxes

Provision for Pederal & Provincial License Texas

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MOTORCADE STORES LIMITED

INTERIM STATEMENT OF EARNED SURPLUS

FOR 6 MONTHS ENDED MAY 31, 1968

	1.00	1968	1967
Balance, December 1st		\$ 82,130	\$ 66,386
Add: Net Profit for Period		10,036	1,722
		92,166	68,108
Less: Life Insurance Permiums - Director		550	550
Balance, May 31st		\$ 91,616	\$ 67,558

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\$ 91,616 \$ 67,553

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DIRECTORS AND OFFICERS

President	Martin Winter
Secretary-Treasurer	Sarah E. Sykes
Director	Jerold Winter

TRANSFER AGENT AND REGISTRAR

The Canada Trust Company 33 Adelaide Street West Toronto, Ontario

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Balance, December 1st

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DIRECTORS AND OFFICERS

President	Martin Winter
Secretary-Treasurer	Sarah E. Sykes
Director	Jerold Winter

TRANSFER AGENT AND REGISTRAR

The Canada Trust Company 33 Adelaide Street West Toronto, Ontario